

New Jersey families and small businesses will have more control over credit

Washington, DC - Congressman John Adler, a member of the House Financial Services Committee, today voted in support of legislation that will protect New Jersey families and small businesses by applying common-sense regulations on credit card companies. The bill would ban retroactive interest rate hikes on existing balances, double-cycle billing, and due-date gimmicks. The Senate passed the bill yesterday and it is expected to be signed into law by the President later this week.

"Too often, credit card companies trap hard working New Jersey residents, and raise their rates when they least expect it. It's just wrong," said Congressman Adler, who voted to pass the legislation out of the Financial Services Committee earlier this year. "This bill will ensure that hard working New Jersey residents are in control of their credit."

In 2008, credit-card issuers imposed \$19 billion in penalty fees on families with credit cards and this year, card companies will break all records for late fees, over-limit charges, and other penalties, pulling in more than \$20.5 billion. Credit-card debt in the U.S. has reached a record high -nearly \$1 trillion -- and almost half of American families currently carry a balance, and for those families the average balance was \$7,300 in 2007. One-fifth of those carrying credit-card debt pay an interest rate above 20 percent.

Today, the House passed the Credit Cardholders' Bill of Rights, legislation that would apply common-sense regulations that would ban retroactive interest rate hikes on existing balances, double-cycle billing, and due-date gimmicks. It would also increase the advance notice of impending rate hikes, giving cardholders the information they need and rights to make decisions about their financial lives.